•The Progressive Review

Nbr 307 May 1992

Clinton: there's still time to say no

Since 1972, the Democratic right, cheered on by mega-contributors and the mega-media, has argued that the Democrats could win the White House if only the left and the "special interest groups" that once represented the soul of the party would just get out of the way and shut up.

Well, they've had their way.

They chose and groomed their candidate, regularly sprinkled his praises in the op-ed columns of the nation's biggest source whores, and raised $11 million just to get him to the podium in New York City.

Bill Clinton represents everything the Democratic right said they wanted.

And the campaign is a disaster -- well on its way to making the McGovern effort seem brutually pragmatic.

There is increasing evidence that Clinton, far from being highly "electable," is an extraordinarily weak candidate:

- Only 18% of the American public says he can be trusted most of the time.
- There is a stunning lack of enthusiasm among even his own supporters. Only 31% of the Clinton voters leaving the New York polls said they strongly supported their choice. To be sure much of the press has fawned over him, but his strongest advocates seem to be those fellow Rhodes Scholars who ducked the draft with him back in the 60s. If that's not a special interest group than what is?
- He has been consistently beaten by Bush in national polls. When Ross Perot is included in the race, Clinton barely surpasses him.
- As of mid-April, Democratic voter turnout was down 25% from four years ago. Black turnout was down 50%.
- Clinton's problems are compounding; each new scandal and revelation adds to the pile At latest count he would had to give about a dozen "Checkers" speeches to talk his way out of them.
- His victories have been unimpressive and against a greatly underfunded opposition. His opposition in the fall, however, will not be greatly underfunded.
- In exit poll after exit poll, Democratic voters have said they want another choice.
- Rather than receiving a "bounce" from primary wins, he has merely plodded along.
- Many of the party pros, who should be rushing to his support at this point, are still hanging back..

There is a broad feeling of despair within the Democratic Party. Worse, a fatalism and a lethargy that will likely assure the worst possible outcome. The only real optimism is coming from party officials who will keep their power no matter who wins and who are unwilling to admit they have made an enormous blunder.

There are still two months to the Democratic convention. I would not argue that it is now easy for the party to correct its error and make a better choice, but I would strongly argue that the only prudent and sane course is to try. Whether you have been, like myself, a Brown supporter, or a Tcitizen for Tsongas, or uncommitted or even backing Clinton but uneasy about it, there is no better way to spend your time.

The one chance for those wishing to oust the Bush regime is to coalesce and loudly demand a better choice.

Admittedly, the numbers are terrible. But Clinton's power does not primarily come from a constituency or charisma, but from an political artificial life support system that brought him as far as he is and sustains him in the face of political reality. Like Robert Redford in *The Candidate,* there is no there there that is independent of the manipulative forces and money insisting the contrary.

To end the Clinton nightmare, it is necessary to pull the plug on his political life support system.

This system is operated by cowardly men. The very premises that led them to a Clinton candidacy reveals their aversion to political risk.

As so often with cowards, however, they are now in dire danger anyway. Yet, as long as everything goes according to schedule they can deny this fact right up to Election Day in November.

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Bucking the system since 1966

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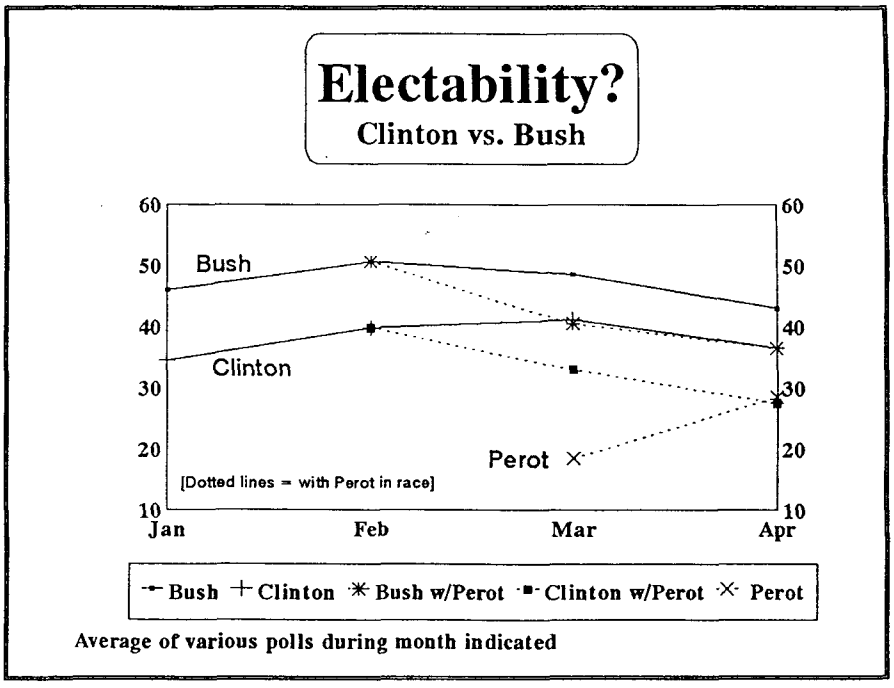

Average of various polls during month indicated

But what if the majority of Democrats who feel slighted this year, who wish there were a better choice, began -- in the face of the delegate numbers, despite the power -- to demand just that? As Brown or Tsongas supporters, as undecided, we have no power. But together, we just might.

How could this happen? The disaffected Democrats in communities and nationwide organize themselves into Democrats for a Better Choice. They begin jamming the lines of the Democratic National Committee and the state Democratic offices. They picket and hold counter-rallies at Clinton appearances. They get an 800 number and count the calls. They start chain letters and light up the talk show switchboards. Oh yes, they continue to work for Brown and Tsongas if they wish -- and even threaten to go with the dubious Perot as long as they don't mean it -- but they also give time to a bigger cause: demanding that the Democrats put up a candidate, acceptable to the various wings of the party, who can also defeat Bush. In truth, that is not Brown or Tsongas, no matter how well -- and it has been very well -- they have served their constituencies in the primaries. But it is certainly not Clinton, either, unless the Bush's perverse and corrupt luck magically reverses itself.

We do not need to know the name of the alternative yet. In fact, if a nationwide drive for an alternative were to get underway, the media and the pollsters would help answer that question. I suspect -- and it is only a guess, one idea -- that it might be Al Gore and Paul Tsongas in that order.

The important thing is to scare the hell out of the power brokers and the party's bankers. Scare them to the point that in the same quiet rooms where they gave the nod to Slick Willie they start to tell him the game is over. Scare them to the point that Ron Brown invites them over to Pamela Harriman's estate, just as he did at the start of this mess, only this time with the purpose of easing Clinton out instead of easing him in.

Will it work? I don't know, but remember it was pragmatism of the most cynical sort that brought us to this crisis. And it is just possible that we can do better by doing the right thing instead.

In *Rosencrantz and Guildenstern are Dead,* Guildenstern says just before his end:

There must have been a moment at the beginning, where we could have said -- no. But somehow we missed it.

For the Democrats, and for the country, this is that moment. -- *Sam Smith*

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The flat tax: not as crazy as it seems

In the past two issues we have made favorable mention of the flat tax, which has led several of our readers to question our politics, math and sanity. We had not intended to endorse the concept wholeheartedly, but merely to suggest that it was far more rational than Jerry Brown's critics would have one believe or, apparently, than even Brown himself understands.

Brown did not help matters by introducing a version of the flat tax far less satisfactory than some that have been offered, and by complicating matters hopelessly by tying it to a value added tax, a whole other can of digits.

Brown, unblessed with access to the great Washington policy emporiums whose computers spew out economic simulations like frozen yogurt, took an idea well worth considering and then proceeded to overdress it in specifics. By emphasizing a 13% flat tax (with deductions for rent, mortgages and charity) combined with a 13% VAT, he came up with "13 and 13," a smooth sounding phrase that he then proceeded to defend vigorously at the expense of his underlying concept.

This gave his opponents the opportunity to slash at his math without debating his idea, meanwhile obscuring the fact that no one has the slightest idea what sort of tax structure Bill Clinton really wants.

Much of the criticism of Brown's plan has been innumerate. Some has been a tad misleading. For example, the media widely quoted a report by Citizens for Tax Justice, describing CTJ in early reports as being "non-partisan," although it is heavily labor backed and once employed Clinton's own campaign manager as its director.

The current head of CTJ, Robert McIntyre, told the press that Brown's plan is "the most crazy right-wing proposal that anybody's made in anyone's memory."

Alexander Cockburn, however, dug up a 1982 quote from the same McIntyre:

"The growing fascination [with the flat tax] deserves some serious attention. . . if the flat taxers succeed in promoting a public debate about the benefits of a loophole-less tax code, they will have performed a useful service for the economy and tax fairness."

Lately, Brown seems to have recognized his tactical error in emphasizing the flatness of the tax. He told the *Washington Times:* "We have a concept here. It's called simplification, efficiency and fairness. That's our goal."

Brown would have been better off never talking about a flat tax at all, because his proposal has a number of supreme virtues:

- It is a true income tax rather than an income-minus-all-sorts-of-deductions-most-people-don't-get-to-take-tax.
- It is simple to compute and simple to administer.
- Exemptions and deductions are provided to the lowest earning tax payers rather than, as is now the case, mostly to the highest.
- It is easy to reform whereas the current tax structure has proven impervious to improvement.

None of these qualities is inexorably tied to the tax's flatness. It might have been better to refer to it as a thin tax, since the form required would be no larger than a single piece of paper.

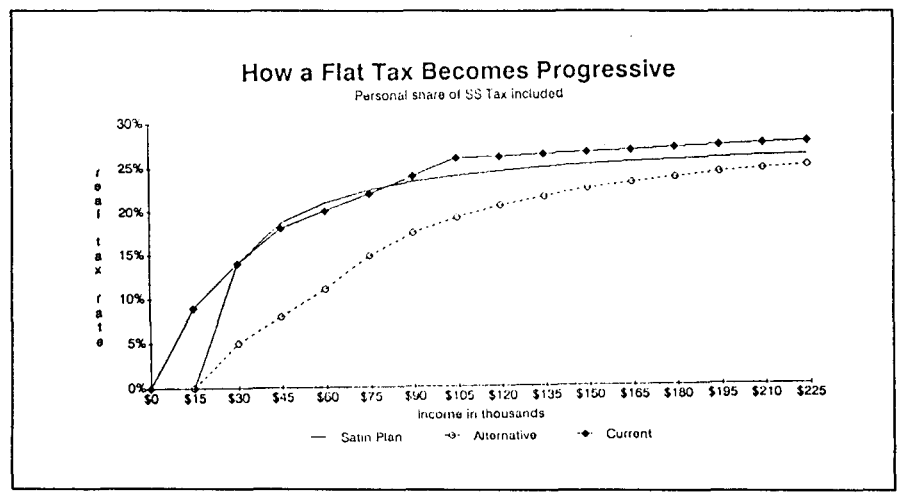
Nor is the tax really flat, any more than our current tax structure is really progressive. To give you an idea of how little all the fuss has been about, a person earning $15,000 pays about 21% in income and social security taxes; for the highest income taxpayers the figure is about 28%, which is not flat but a pretty damn easy climb. If Jerry Brown's approach is madness, than the line between insanity and rationality lies somewhere between his single flat rate and, say, the dual flat rate that existed just a few years ago or the three-rate tax we have today.

Further a flat tax (although not Brown's version because of the effect of the VAT) can easily be more progressive than our current system. To understand this, look at the chart on this page.

Two versions of a simple tax, as we will call it, are shown. One is based on a proposal by Mark Satin of *New Options.* Satin suggested a 38% income tax, no social security tax and a blanket exemption of the first $15,000 of income. Satin noted that under current tax laws, over half the country's collective income is exempt from taxation, much of it thanks to accountants and the manipulation of the tax code. Under his proposal, the figure would be 43%, but all of it consisting of the first $15,000 we each earn. In fact, Satin's 38% rate is probably too high for a revenue-neutral plan, but for our purposes finding the correct rate is irrelevant. We're talking concept here. One can set the rates later. So for purposes of comparison we have set the top rate at 28%.

You will note that because of the $15,000 base exemption, the income tax becomes progressive and quite so up to about $60,000 income. But you will also note the effect the exemption has on the tax rate. About half of the increase in rates occurs between $15,000 and $30,000.

Assuming this would strike many as excessive, we turned our computer loose on the problem and in less than an hour came up with the tax structure shown as "Alternative." It would still require no more than a single piece of paper to fill out, shows a fairly attractive tendency towards progressivity (better than the present



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law) and would make the weeks before April 15 far more pleasant. It does, we admit, lose flatness, but it remains a truly simple tax for a thin tax form. And the hyper-escalation at the lower income levels is gone.

The alternative assumes that you pay no tax up to $15,000 of income; between $15-30,000 you pay 5% and between $30-45,000 you pay 8%. After that you pay 30% on everything over an exemption of $25,000.

If you want to add exemptions for charity, mortgages and rent, or Mario Cuomo's budget, fine, as long as you can do it on a single page.

We are not ready to take the Review Thin Tax on the campaign trail, but we do suggest it argues that starting with a flat tax and modifying it is infinitely more productive than trying to reform the current code. And that Brown's idea is not crazy at all.

Of course, there is still the question of whether we really want to do away with compartmentalized social security. Many progressives consider social security an odiously regressive tax. On the other hand, Pat Moynihan makes the strong argument that social security should be considered a government-run pension plan, into which employees and employers pay. He points out that, unlike other taxes, you can write Social Security and get a statement of your personal account. It is your money and not the state's. The danger in incorporating social security into the income tax is that it could come to be treated like any other budget item, which during the past dozen years would have meant very badly. On the other hand, social security taxes are taking up an increasing share of federal revenues: from 23% in 1970 to 37% today, all paid from the lower end of the income heap.

Another problem with Brown's plan is the VAT. Not only does linking VAT with a simplified tax seem to unnecessarily complicate matters, the VAT is one of these taxes that doesn't always do what its advocates say it will.

It's meant, for example, to encourage savings. But a 1990 article in *Business Economics,* based on a study of 23 countries with a VAT, found this not to be the case. The article also questioned whether a VAT had the purported effect of encouraging exports and discouraging imports. It is supposed to, because under international trade laws countries may effectively exempt their exports from the VAT but impose it on incoming items. This is not, however, permitted with the corporate income tax. In reality, however, this effect may not occur, in part because of the countervailing mischief of currency valuation.

Other argued deficiencies of the VAT include its regressivity, its complexity and its inflationary nature.

Given all these problems, it is ironic that Brown's simplified tax has come in for more of a bruising than his proposal for a VAT. In any case, many countries have it, so in advocating it, Brown is more of a copycat than a flake. It is also worth noting that many of these countries also have social welfare programs superior to ours, which suggests -- as Brown has argued to little avail in the face of a virulently hostile press -- that progressivity in expenditure policy is as important as progressivity in revenue policy. And certainly a Brown budget would be progressive.

Finally Brown, like all the candidates save Eugene McCarthy, has failed to deal with the fact that any real reform of our tax structure must consider wealth has well as income. Wealth is far more concentrated than income. For example, according to the Center for Public Dialogue land prices have risen nearly 2000% since 1950, while inflation has risen less than 400%. There are many imaginative ideas about how to reform our wealth taxes -- such as a net worth tax, a land tax, and McCarthy's capital levy -- but these have not entered the national debate.

Nonetheless, Brown deserves great credit for highlighting the problem with our tax laws and making us think about them for a change. His solution is flawed but out of it could come a real plan for tax reform: simple, comprehensible and fair. Clinton, Bush and the Congress, on the other hand, would rather play at reforming the labyrinth that is our 4000-page tax code, because, in truth, they really like things pretty much as they are. --*Sam Smith*

The Weather Report

The insurgency

Green chapters have been formed at least 150 college campuses. Jason Kirkpatrick, national coordinator for the Campus Green Network, says "It's the largest worldwide movement that we've seen in the last generation" that has a focus on the environment and social justice. Young Greens exist in 20 different countries.

Land of the free

Trying to join Bill Clinton and Jerry Brown at a March debate in New York, presidential candidate Larry Agran was gang-tackled by NYC cops, thrown head-first down a flight of stairs, handcuffed and left in a police van for two hours. He was then booked and charged with disorderly conduct, resisting arrest and trespassing, even though he had bought a ticket for the event billed as a forum for "the Democratic candidates." Neither Clinton nor Brown said a mumblin' word and the press gave it only passing mention.

Despite the end of the Cold War, massive secrecy in government remains. In Fiscal Year 1991, for example, there were 7,107,017 classification decisions made by the Bush administration. That's more than 19,000 a day.

Among these decisions are National Security Directives that are essentially secret presidential orders covering everything from space to foreign aid. These orders are so secret, reports the *Secrecy & Government Bulletin,* that even a listing of them by number, date and title is classified. A recent request for such a list was turned down by the National Security Council on the grounds that it "could reasonably be expected to cause a serious damage to the national security." As *SGB* pointed out, "more to the point, probably, any information about these US policy documents would be a valuable instrument in the hands of citizens concerned about unchecked executive branch activities." For example: NSD 26, which ordered "pursuit of improved economic and political ties with Iraq" prior to Iraq's

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Who's Who in Arkansas UPDATE

In our last issue we just scratched the surface of the wonderful world of Arkansas politics. Here is an updated pull-out edition. We have indicated new material with a bullet:

○ **Arkansas Development Finance Authority:** Established in 1985 to provide economic development and low cost housing loans, Clinton has used it, in the words of one well-connected Arkansan, as "his own political piggy bank" that has funneled millions of dollars to the governor's allies. Underwriters and recipients included **Stephens, Inc.**, a firm headed by **Dan R. Lasater,** who subsequently was convicted on cocaine charges, and **Park on Meter.**

The ADFA was also able to tap nearly $4 billion in public employee pension funds, a practice publicly criticized as excessively risky by state auditor Julia Hughes Jones, but strongly defended by Clinton. According to the *Washington Times,* Ms. Hughes' views have since prevailed with the state pension fund managers, who now say they won't invest in ADFA in the future.

Bakhsh, Abdullah Taha: BCCI investor who in 1990 doubled his interest in **Worthen National Bank** to $10 million.

• **Beverly Enterprises:** A major health services company controlled by the **Stephens** empire. In 1989 the Clinton-appointed board of the **Arkansas Development Finance Authority** approved an $81 million bond deal under which Beverly would buy 32 nursing homes. On the board at the time was a Beverly executive vice president and a vice president of **Worthen National Bank.** The deal fell through after months of public controversy.

Clinton, Bill: Governor of Arkansas and presidential candidate.

• **Clinton, Roger:** Half-brother of Bill Clinton. Three months before **Dan R. Lasater** won a $750,000 bond contract from the state, Roger Clinton testified in court that Lasater had loaned him $8000 to cover his cocaine debts to a Colombian drug dealer. Roger Clinton had been arrested by state police and later pleaded guilty to drug charges. According to the *Washington Times* on April 14, "A federal-state drug task force secretly recorded in June 1984 Gov. Bill Clinton's brother, Roger, a heavy cocaine user at the time, boasting that he often took women to the governor's mansion for sex." At the time for the conversation, Roger was negotiating the sale of a quarter-pound of cocaine for $10,000. Visitor logs show Roger staying at the mansion or its guest house at least 36 times during a two year period around the date of the conversation and some of the logs mention "a friend," "females" or a "girl."

• **Clinton, Hillary:** Lawyer and governor's wife. She represented **Jim McDougal's S&L, Madison Guaranty,** as it successfully sought the right to issue preferred stock as a means of jacking up its cash stats to the required 3% of assets.. This was at a time when it was under state investigation for possible insolvency. The campaign claims Hillary Clinton just prepared a brief, but Susan McDougal recalls her coming in and drumming up the business. Said Susan McDougal to the *Washington Post.* "The problem was finances, her finances." The S&L was finally declared bust by federal regulators, with a resulting loss to the taxpayers of $50 million. Meanwhile, many of the records of the land development company have apparently disappeared. Susan McDougal says, "Governor Clinton has the records. I delivered them to him. I took them out of the filing cabinets and gave to my brother, who took them to the governor's mansion." Clinton's lawyers say they only have partial records. On March 20, the *Washington Times* reported that Hillary had been on a $2000 a month retainer to the S&L, an arrangement that lasted at least 15 months, during a period when the Madison case was before the state regulators. The *Washington Times* story has been ignored by other media. Hillary, prior to revelations about Madison Guaranty, maintained that she did not represent clients before the state government. She now says, "For goodness sakes, you can't be a lawyer if you don't represent banks."

Flowers, Gennifer: Alleged to have had a long-term affair with Bill Clinton. Also had the shortest affair with the media ever experienced by the alleged mistress of a major politician, thanks to the Clintomania of the press.

• **Hubbell, Webb:** Senior partner of the Rose law firm, where Hillary works, and close buddy of Bill Clinton's. When Clinton decided it was time for an ethics commission, he appointed Hubbell to it -- demonstrating by example why an ethics commission was needed. After the state house of representatives passed strong ethics legislation, it got hung up in the state senate. Thereupon, according to the *New York Times,* Clinton, Hubbell and others rewrote the legislation to exempt the governor from some of its most rigorous provisions. Clinton says he did this to make sure the legislation was approved. Hubbell also represented **Park on Meter.**

Lance, Bert: Georgia financier and aide to Jimmy Carter, now thoroughly embroiled in the BCCI scandal. Old friend of **Jack Stephens,** whose bank provided a $2 million line of credit for the Clinton campaign.

• **Lasater, Dan R.:** Arkansas entrepreneur who won one of the early contracts -- for $750,000 -- from the **Arkansas Development Finance Authority** -- to handle the bond work for a new communications system for the state police. The *LA Times* reported that Clinton personally intervened to lobby legislators to approve the communications network despite court testimony and newspaper stories identifying Lasater as the target of a drug investigation. Clinton's own half-brother **Roger Clinton** had testified three months before the award that Lasater had loaned him money to cover a drug debt. Clinton has described Lasater as an "active supporter of mine" but denied he steered the contract. A year later, Lasater pleased guilty to federal charges of cocaine possession and distribution. After serving time, Lasater received a state pardon from Clinton.

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Nichols, Larry: A Contra veteran hired by Clinton in 1988 as director for marketing for the **Arkansas Development Finance Agency**. When a reporter got wind of Nichols's Contra connection (and his phone calls to Nicaragua) later that year, Nichols was abruptly fired by Clinton. He filed suit, among whose allegations were those concerning **Gennifer Flowers** that would subsequently attract national attention. After the story broke, Nichols was allegedly put under considerable pressure by **Buddy Young** to drop his claim. According to Alexander Cockburn, just 24 hours before Clinton was to seek expatiation on *Sixty Minutes,* "Nichols put his name to a statement crafted to discredit all his previous assertions."

• **Madison Guaranty S&L:** This S&L was run by **Jim McDougal,** friend and business partner of the Clintons. The S&L was subject of an investigation by the Arkansas Securities Department for possible insolvency. In 1987, it was closed by federal regulators at a cost to taxpayers of $50 million.

• **Mena, Arkansas:** Small town and airport, a major center for drug importation and for training and resupplying the Contras. *The Arkansas Gazette* reported in 1987 that local, state and federal agencies were investigating a drug-smuggling ring that used the airport as a base of operations from 1981 to 1986. The ring was allegedly run by Barry Seal, who became a DEA informant in 1984. A C-123K cargo plane, used in a DEA sting, was flown to Mena by Seal in 1984, where it stayed for a year and a half. It was shot down over Nicaragua in October 1986. The sole survivor of the incident, which attracted wide attention to the US role in the Contra war, was Eugene S. Hasenfus.

Long-time Washington correspondent Sarah McClendon wrote this February:

"Col. Oliver North masterminded certain phases of the [Mena] operation, most of the time working under the alias of John Cathey. Also participating was Felix Rodriguez, Bush crony from CIA days, who used the alias of Max Gomez. . .

"Arkansas citizens who tried to find out what was going on were given no information. Individuals who carried out the illegal processes were allowed to go and come at will. There was a huge money laundering scheme operated by some Arkansas financial institutions. . ."

After the feds scrapped a five year Mena drug investigation, the Arkansas state police were quickly taken off the case, despite charges that the feds had interfered with the local investigation and that key witnesses had not been called before the federal grand jury. Clinton refused a request from one of his own prosecutors to pursue the matter. In 1989, a US Senate subcommittee called the available evidence about Mena "sufficient for an indictment on money laundering charges." Even after Arkansas Rep. Bill Alexander got Congress to authorize money for the investigation, says Cockburn, "the money has been held up behind a wall of bureaucratic excuses in Little Rock."

I supported the Persian Gulf war because I thought it was in our national interest ---Bill Clinton, February 1992

I guess I would have voted with the majority [for the Senate resolution on the Iraqi war] if it was a close vote. But I agree with the arguments the minority made -- Bill Clinton February 1991

State Attorney General Winston Bryant and Alexander sent two boxes of Mena files to Iran-Contra special prosecutor Lawrence Walsh. But, said Alexander, "The feds dropped the ball and covered it up. I have never seen a whitewash job like this case."

In a letter to the Arkansas Committee this January, former Polk County deputy prosecuting attorney Brent Haltom wrote: "I did. . .make an in-person request to Governor Clinton for any available state-level financial aid to assist in the local-level effort to investigate the rather wide array of illegal activities. To the best of my recollection, Governor Clinton's verbal response was to the effect that he would have someone (not identified to me) check on the availability of financial aid and get word to me.

"Thereafter, I never personally received any word or information, from anyone, that any amount of state funds was available. Quite frankly, even if I had been made aware that $25,000 was available, that specific amount would have been tantamount to trying to extinguish a raging forest fire by spitting on it."

McDougal, Jim & Susan: According to a *Washington Post* story on March 12, Jim McDougal and Clinton "were longtime friends whose relationship dated to the late 1960s," when they both worked for Senator Fulbright. "Although Clinton and McDougal were alike in many ways -- both loved politics, both were gregarious, energetic men with a storytelling flair -- McDougal was interested in making money while Clinton was obsessed with gaining political stature. McDougal was a deal-maker even in his twenties, putting together real estate ventures for Fulbright and a host of other Arkansas politicians." In 1978 the Clintons and McDougals bought a 230-acre tract with two loans. Clinton, who was running for state attorney general, got one loan (to cover the down payment) with no collateral. The second loan was collateralized by the land itself. 24 lots were sold to Ozark Realty in 1985 in return for $35,000 and a Piper Seminole airplane valued at $30,000. None of these deals showed up on the Clinton's tax returns and, according to the *Post,* "aides said they do not know what happened to the plane." We have seen no further mention of the missing plane in the press. At the time of the Clinton-McDougal partnership, McDougal's S&L, **Madison Guaranty,** was under investigation by the Arkansas Securities Department for possible insolvency. McDougal was indicted by a federal grand jury in 1989 in connection with Madison but was acquitted one year later.

• **Park on Meter:** POM is a parking meter manufacturer in Russellville, which received the first industrial development loan (for $2.75 million) from the Arkansas Development Finance Authority in 1985. POM's lawyer at the time was **Webb Hubbell.**

It has also been alleged that POM was doing a lot more than

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making parking meters -- specifically that it had secret federal contracts to make components of chemical and biological weapons and devices to carry them on C-130s -- for the Contras. The company denies the Contra connection although it now admits having secret military contracts.

Right next to POM, on land previously owned by it, is an Army reserve chemical warfare company. Russellville is not far from **Mena,** a major Contra training and supply center. POM received its loan from the ADFA at the same time that Contra activity was at a peak in these parts.

Reed, Terry: One of a number of Arkansas Contra operatives, a former CIA asset who worked with Felix Rodriguez, an important Contra link to the CIA and then-Vice President Bush's office. Asked to take part in Operation Donation, under which planes and boats needed by the Contras "disappeared," allowing owners to claim insurance. Reed claims he refused, and that his plane was removed while he was away. It was returned two years later, in 1987, but Reed was asked not to report it because it might have to be "borrowed" again. Reed says he had become aware that the Contra operation also involved drug-running and got cold feet. He also believed that large sums of drug money were being laundered by leading Arkansas bond brokers. He went to Rodriguez and told him he was quitting. As a defector, Reed believes he became a threat to the Contra operation. For what happened next to Reed and his plane, see **Buddy Young.**

• **Rose law firm: Hillary Clinton's** law firm. Successfully represented state corporate interests in getting Clinton and the legislature to relax state incorporation standards. Has gotten fees from the Clinton-appointed Public Service Commission and the **Arkansas Development Finance Authority.** Sixty lawyers of the firm have all maxxed out on Clinton campaign contributions. One of the oldest firms in the country, Rose represented the Little Rock School Board during the 1950s school desegregation battles.

• **Schaffer, Barbara Basssett:** a commissioner of the state securities department at the time of the **Madison Guaranty** case. Schaffer provided the Clinton campaign with a statement denying that anyone from the **Rose** law firm had influenced the department in the Madison case. She had been on the job for three months at the time. Prior to that she had worked for a law firm that had also represented Madison. Schaffer, who wrote the letter approving Madison's approach to the matter, was a Clinton appointee and is the sister of Woody Bassett, a former Clinton campaign official described in campaign literature as a "longtime close friend and supporter of Bill Clinton."

• **Stephens Inc.:** The flagship of the $1 billion Stephens empire. An investment banking firm that has been awarded the handling of 60 state bond issues worth $1.82 billion from 1983 to 1991, according to the *Washington Times.*

• **Stephens, Jackson:** Board chair and controlling owner of Little Rock's **Worthen Bank.** According to the *New York Post,* Worthen extended a $2 million line of credit to Clinton's campaign to get it rolling. The *Post* described Stephens, a Republican, as "the major financial backer behind" Clinton, who is "to Clinton what Bert Lance was to candidate Jimmy Carter."

Alexander Cockburn wrote in the March 23 *LA Times:*

"It was Jackson Stephens who brokered the arrival of [BCCI] into this country in 1977. He steered the bank's founder, Hassan Abedi, toward Jimmy Carter's budget director, **Bert Lance,** whose bank an Abedi front man took over. Stephens then helped clear the ground, according to SEC documents, for Abedi's secret takeover of First American Bankshares."

Stephens is a past business associate of **Lance** and BCCI figure **Ghaith Pharaon.** In 1991 Stephens joined BCCI investor **Mochtar Riady** in buying BCCI's former Hong Kong subsidiary from its liquidators.

Meanwhile, the *Post* reported on February 7 that sources at Manhattan DA Robert Morgenthau's office said that they wanted to examine Worthen "for further ties to BCCI."

• **Tyson's Foods:** $4 billion chicken empire headed by Don Tyson. Tyson's is accused by environmentalists of major pollution of Arkansas streams. Over half of the 600 miles of inland waterways in northwestern Arkansas are considered off limits to swimming because of pollution from chicken and livestock wastes. *The Washington Post* reported that the Clintons took nine trips on Tyson's planes -- eight recorded as business and one as personal.

• **Ward, Elizabeth:** A former Miss America who is one of four women who have denied having a romantic relationship with Bill Clinton. The four, along with Gennifer Flowers, were named by former Clinton aide **Larry Nichols,** who rescinded his charges after allegedly receiving heavy pressure from **Buddy Young,** Clinton's chief of security. After a *Playboy* spread on Ward, in which she said in answer to whether she had slept with Clinton, "I don't believe that is anyone's business." She subsequently issued a statement through the Clinton campaign saying that "at no time did any romantic relationship exist between the governor and myself." Another Clinton affair story, more lurid than anything given mainstream coverage, appeared in a supermarket tabloid the weekend before the New Hampshire primary. This account been assiduously avoided by the mainstream media. The woman alleging the affair was reported to have passed two lie detector tests.

• **Ward, Seth 'Skeeter':** President of **Park on Meter** and son-in-law of **Webb Hubbell.**

• **Young, Buddy:** Chief of security for Bill Clinton. His efforts to get a Contra defector in trouble with the feds backfired last July when the court dismissed the case for lack of evidence. Alexander Cockburn in *The Nation* reported in February that the judge had declared that Young and an associate had acted in "reckless disregard for the truth" in their case against **Terry Reed** who accused Young of entering his hanger three times without a warrant, tampering with his plane, hiding evidence useful to the defense in Clinton's mansion, and making false statements to a federal grand jury. Reed sued Young. In January of this year, the *Arkansas Democrat-Gazette* reported:

"A federal judge ruled Tuesday that an unlawful conspiracy may exist in the case. . .US District Judge

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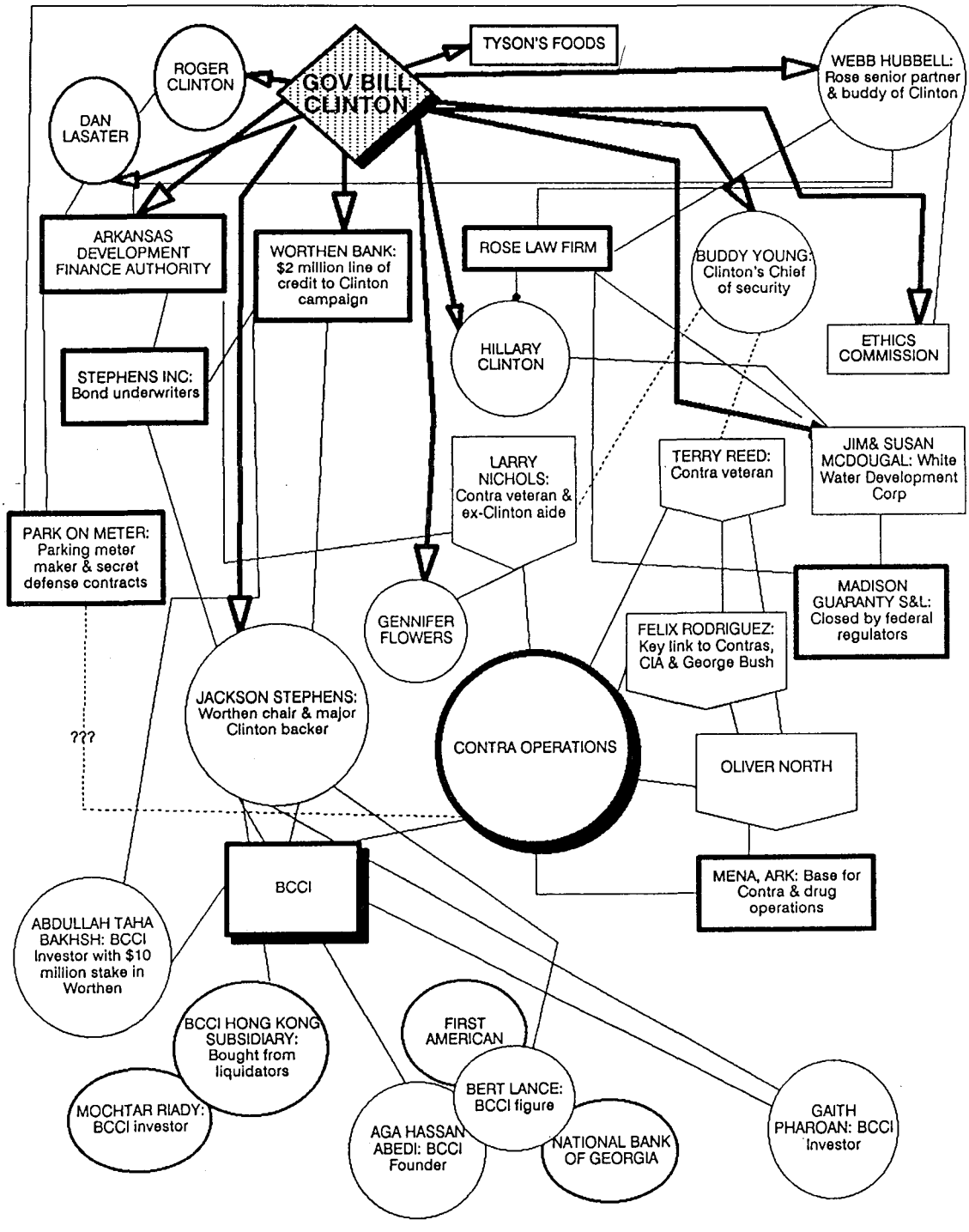
Elsijane T. Roy made that statement in a court order in which she refused to dismiss a lawsuit.

"Arkansas State Police Capt. Raymond "Buddy" Young, head of the 11-man security forces at the Governor's mansion, is accused in the lawsuit of fabricating a federal crime against Terry K. Reed of Albuquerque NM, formerly of Little Rock. . .

"Reed alleged the case stemmed from his work for the CIA and FBI between 1982 and 1987, training pilots on those agencies' behalf as part of Lt. Col. Oliver North's attempt to indirectly finance the Contras. The suit said North identified himself as John Cathey."

Sources: Arkansas Democrat-Gazette, Associated Press, LA Times, New York Times, New York Post, Washington Post, Washington Times & The Nation. The best coverage of the real world of Bill Clinton has appeared in Alexander Cockburn's columns in The Nation


GOV BILL CLINTON
ROGER CLINTON
DAN LASATER
TYSON'S FOODS
WEBB HUBBELL: Rose senior partner & buddy of Clinton
ARKANSAS DEVELOPMENT FINANCE AUTHORITY
WORTHEN BANK: $2 million line of credit to Clinton campaign
ROSE LAW FIRM
BUDDY YOUNG: Clinton's Chief of security
ETHICS COMMISSION
HILLARY CLINTON
STEPHENS INC: Bond underwriters
LARRY NICHOLS: Contra veteran & ex-Clinton aide
TERRY REED: Contra veteran
JIM& SUSAN MCDOUGAL: White Water Development Corp
PARK ON METER: Parking meter maker & secret defense contracts
GENNIFER FLOWERS
MADISON GUARANTY S&L: Closed by federal regulators
FELIX RODRIGUEZ: Key link to Contras, CIA & George Bush
JACKSON STEPHENS: Worthen chair & major Clinton backer
???
CONTRA OPERATIONS
OLIVER NORTH
BCCI
MENA, ARK: Base for Contra & drug operations
ABDULLAH TAHA BAKHSH: BCCI Investor with $10 million stake in Worthen
BCCI HONG KONG SUBSIDIARY: Bought from liquidators
FIRST AMERICAN
BERT LANCE: BCCI figure
MOCHTAR RIADY: BCCI investor
AGA HASSAN ABEDI: BCCI Founder
NATIONAL BANK OF GEORGIA
GAITH PHAROAN: BCCI Investor

The Arkansas Flow Chart

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Weather report cont'd

invasion of Kuwait. According to a *LA Times* story in February, largely ignored by other media, Bush signed a secret order that opened the way to $1 billion in new aid.

As an example of the security madness of the Bush regime, MIT professor Theodore Postol wrote an article criticizing the accuracy of the Patriot missile for a scholarly journal. It was based on an analysis of unclassified public data. After the article appeared, the Pentagon classified the article and warned Postol not to even talk about it. Rep. John Conyers, chair of a government oversight subcommittee, called the action "a clear example of misuse of government secrecy to suppress public debate."

The state of Washington has made it illegal to sell sexually explicit rock music to teenagers, despite a flood of protest messages. MTV gave out the governor's fax number, which resulted in one of Gov. Booth Gardner's fax machines being burned out.

The Bush league

The media has virtually ignored the newsworthy fact that Bush's deputy campaign chair is on the payroll of the current owner of BCCI.

The Presidential Victory Committee, the outfit that created the notorious Willie Horton ads, is ready to take on this year's Willie. Says PVC chair Floyd Brown, "Every time I pick up the morning newspaper, I feel like a kid in a candy store."

Nancy Roman, in the *Washington Times,* has listed a number of arguments Noriega's lawyers could make on appeal:

- The abduction of Noriega violated international law.
- Noriega was denied the right of private consultation with his lawyer.
- The government withheld information critical to Noriega's defense.
- The judge's refused to admit a lie detector test that indicated that one of the leading witnesses against Noriega was not telling the truth.

To understand the root problem with this case, consider what you would think if an American president was abducted to another country to stand trial for violating that country's laws.

A comparison of the Clinton & Brown campaigns in NY as observed by an AP reporter

	Clinton	Brown
Desk computers in HQ	Too many to count	None. Had one but was replaced by typewriter
TV sets in HQ	3 large screen	None. Monitoring done at home
Campaign letterhead	Three color	"There is letterhead, but don't ask me for it"
Phone lines at HQ	35	10
Amt campaign had raised to date	$9.3 million	$2.3 million
Where candidate stayed	Sheraton	Home of Joan Didion
Paid campaign director	Yes	No
Campaign director has business card	Yes	No
Location of HQ	7th floor suite midtown	Lower East Side storefront, former restaurant next to bus terminal; several rooms at union hall across the street.

Road signs

✓ Each second the rain forests of the world lose an acre and the world population increases by 3, according to the Smithsonian Institution.

✓ A recent Gallup poll suggests that serious anti-immigration politics might be just around the corner. The survey found that 69% of the public thought too many immigrants were being admitted from Latin America. The figure for Asians was 58% and for Africans 47%.

Just politics

The word around Washington is that Jerry Brown has an 800 number, while Clinton has a 900 number.

From the *Pine Bluff Commercial:* "It's very difficult to catch Bill Clinton in a flat lie. His specialty is a lengthy disingenuousness."

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Worth remembering: the reason Jerry Brown got the "Governor Moonbeam" nickname in the first place was because, in the early 70s, he proposed a satellite communications link between his state's far flung government offices.

The rise, despite rampant non-knowledge, of support for Ross Perot is troublesome. It suggests a desire on the part of a sizable portion of the electorate to simply turn over their troubles to one man to handle as he sees fit. Sort of like Argentina with Peron or Peru with Fujimori. And there is little comfort to be found in Perot's designated veep, Vice Admiral Stockdale. Stockdale told the press: "I'm not that much interested in the mechanics of government. I'm interested in leadership."

Perot, incidentally, is the guy who funded the paramilitary incursions into Laos of right-winger James "Bo" Gritz, who became the model for *Rambo.*

It must be admitted, though, that Perot really knows how government works. For example, his computer company had Texas Medicaid as one of its biggest clients, getting fees as high as 10% on billions of dollars in insurance claims.

Those who have been pressing for term limits on Congressmembers are getting their wish this year, with an extraordinary number leaving in disgrace or disgust. But, warns the Coalition to End the Permanent Congress, this doesn't necessarily mean that things will be better next year. CEPC says it is "very concerned about the fact that many party hacks of both parties who never before had the courage to challenge entrenched incumbents are now stepping forward to run.."

Little noticed in the returns from New York state: according to exit polls, Jerry Brown came in first among voters 18-44 years old.

Sen. Paul Wellstone has introduced a single-payer national health insurance bill, funded by the federal government, administered at the state and local level and retaining the present system of health care. Funding would come from a combination of payroll, corporate and personal income taxes. This, in general, is the bill national health insurance advocates have been looking for and it deserves strong support.

The big winners under workfare, a Minneapolis welfare rights group points out, are the corporations, since workfare programs provide businesses with a growing supply of low-wage women workers. Says Women, Work & Welfare in a position paper, the corporations are "the new welfare recipient." And writing in *The Progressive,* Ruth Conniff notes that workfare not only doesn't get women out of poverty, it results in "institutionalized children neglect."

Eco-notes

Jeremy and Carol Grunewald Rifkin have written a truly useful book that should be on every ecologically sound bookshelf. *Voting Green* (Doubleday: $15) contains a rating of each member of Congress on green issues, a green platform, a checklist of green issues to use in judging candidates and an analysis of the Bush administration position on green issues.

The book rates the following as the best senators on green issues:

Gore, Kerry, Lieberman, Pell, Cranston, Wirth, Leahy, Reid, Adams and Moynihan

Worst are Wallop, Nickles, Johnston, Simpson, Rudman, Mack, Gramm and Coats.

The problem with hate crime laws

Assume a beating that would ordinarily result in imprisonment for a year. Now, on proof that the assailant was motivated by racial or other additional prejudice the punishment becomes imprisonment for two years.

The deprivation of liberty for a second year is the direct consequence of beliefs and expression that, however deplorable, are protected by the First Amendment -- *Report of a free-speech committee of the ACLU*

The mediacracy

There's a lot of journalistic showboating these days about media ethics, so you may have missed some of the major exemptions:

Like having sexual harassers write stories on the Clarence Thomas hearings. Or like having adulterers writing stories about political candidates who cheat on their wives.

If such matters were to become of public interest, Washington journalists might start wishing for the good old days before they all became virgins.

Time magazine has joined *Newsweek* in a major new form of journalistic sleaze: the unsubstantiated exoneration. You may recall *Newsweek's* misleading acquittal of the Reagan-Bush administration's involvement in the October Surprise. Now *Time* has produced a truly weird article on Terry Reed, the Contra veteran mentioned in this and the last issue in our Arkansas coverage. The piece, entitled *Anatomy of a Smear,* raises, and then rebuts, allegations about Clinton we have seen nowhere else, and certainly not -- as implied -- in the writings of Alexander Cockburn (although *Time* gave Cockburn his brother's name, Andrew). Thus if these are lies, only *Time* is spreading them broadly. *Time* goes on to suggest that Reed's suit against Clinton's security chief, Buddy Young, is without foundation, never mentioning the judge's view that a possible conspiracy existed. Finally, *Time* whitewashes Clinton's see-no-evil approach to the Mena drug operations in a manner that sounds like it came straight from Jim Carvelle's mouth. Perhaps *Time* was so busy working on its new layout that it didn't have the opportunity to get the facts straight.

Drug busts

The *Takoma Morning News Tribune* reports that Air Force pilots flying bombing missions over Iraq were given speed to keep them awake and sedatives to help them sleep. Says an Air Force representative: "They were used only under careful circumstances, supervised by the flight surgeon." Yeah, but think of all those wonderful future political careers that were damaged.

The March town meeting of Starks, Maine, voted 45-42 to legalize marijuana. The advisory measure, however, was rejected in several other towns,

A Philadelphia judge has ordered city police to turn over the arrest records of a highway patrol accused of

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faking traffic violations as an excuse to search motorists for drugs.

The waiting list for addicts at DC's alcohol and drug services agency is now up to 2000. Addicts seeking treatment are told they may have to wait nine months.

A 10-year-old Colorado boy called 911 and turned in his parents for pot possession, because that's what he had learned to do in a drug awareness course taught by cops. After the parents were jailed, the boy asked police if he could live at the police station because he thought his parents might no longer love him.

While the official line is that raising the drinking age to 21 saves 6000 lives a year, the public apparently isn't buying it. Three-quarters see teenage drinking as a bigger problem now than 5 years ago.

Shop talk

Three candidates for president dropped out of the race while an issue of the *Review* was in the mails to its readers. Hence we may have seemed in a time warp. We weren't alone, however; *Newsweek* had the problem with Kerry. Years ago, before the hair trigger deadlines of today's news weeklies, *Time* got around deadline problems by use of a kind of past conditional tense, as in "At week's end President Eisenhower was to have..."

Considered judgments

Here are just a few of the comments made by some of America's leading journalists and publications on the subject of Jerry Brown and his campaign. See if you can detect any bias here:

Annoying--Ted Koppel, ABC News

Weird--Cokie Roberts, NPR

A pain in the you-know-what-Bernard Shaw

Flailing about, spewing out charges like sparks from a Fourth of July pinwheel--RW Apple, New York Times

He's a chameleon, a character assassin and a first-class cynic--Jonathan Alter, Newsweek

Brilliant, self-absorbed, friendless, idealistic, erratic, opportunistic, cold, hypocritical -New York Times

Jerry Brown's more corrupt than the system -Eleanor Clift, Newsweek

Says FAIR, the media watchdog, "There is so much of this kind of writing about Brown that it is difficult to remember that journalists don't usually refer to candidates this way. Can anyone imagine *Newsweek*'s senior political editor talking about George Bush's 'typical hype' or his 'unfitness' -- and getting away with it?

As an addendum to our comments on the entropic use of language in the last issue, we offer William Aramony's apology when he resigned as head of United Way. He apologized for his "lack of sensitivity to perceptions." The board thanked him for his "thoughtful and sensitive offer" to quit.

James Berry of the American Teilhard Society's Center for Reflection on the Second Law in Raleigh, NC, has sent us some optimistic thoughts on entropy [April issue]. At least we think they're optimistic. As soon as we find out what a "dissipative structure" is, we'll know for sure. Anyway, according to Berry:

Classical science has always had great trouble with the fact that biological systems have evolved toward complexity, i.e. towards greater order, rather than toward increasing disorder, which is what the classical science view of the Second Law leads one to expect. But [Belgian chemist Ilya] Prigogine turned up the fact that entropy is lumpy. It gets separated into parts so that some of it can be exported out of an open dissipative structure while the internal entropy diminishes and the structure itself evolves toward a higher state. It is this sleight of hand that makes the world go around.

The Second Law becomes what it has never before been understood to be: the driving force of evolution and the enabler of greater complexity. While there can be no doubt that free energy turns into bound energy or entropy as it does its work, the way to see that fact is as something miraculous. If it were not for the Second Law there would be no life in the first place. The Second Law moves energy into the entropy pool by the process of getting things done. No entropy; no time, no work, no evolution, no life, no nothing.

A number of readers took exception to our kind words toward the flat tax, some misunderstanding that kindness is a few steps short of full endorsement. Richard McCarthy, who edits *Blueprint for Social Justice* down in New Orleans faxed us his skepticism along with a request of the Mark Satin plan mentioned in the *Review*. We be glad to send a copy to anyone who includes a SASE. And Stocky Everts of DC wrote:

I would like to be for Jerry Brown also if it weren't for that flat tax he favors. As far as I'm concerned his flat tax nullifies everything else in his program that is radical/liberal. The aim of the liberal/left should be to reduce the power of corporations and the rich and to move towards a more egalitarian society with a Western European type welfare state. To achieve any of this requires a Western European kind of tax structure with a strong progressive income tax.

Robert Berg, a DC reader, writes:

Your recent conspiracy articles are a little scary. I'm not sure I see the complex tie-ins of all the awful stuff this country has gone through. I always have felt that one awful tragedy, JFK's murder, set off a chain of actions which fed one upon the other. All making the next crime more likely.

On not quite the other hand, looking at the JFK murder alone, obviously Oliver Stone has done a great service. In truth, his task is not to prove that everything Garrison said was right. It is easier, much like those who want to prove that saintly acts exist. You don't have to prove the whole lot, just one fact, and then the whole case opens up. Stone certainly did that just by destroying the credibility of the single bullet theory to enough Americans to force relooking at the whole inquiry.

Mob news

Dr. Charles Crenshaw,, one of the surgeons who examined the body of JFK, has written a new book "JFK: Conspiracy of Silence," in which he says that Kennedy was hit in the head by two bullets from the *front*, and not the rear as alleged by the Warren Commission. He further says that JFK's body was altered to produce the wounds shown in autopsy photos. Critics of the doctor note that he also claims that LBJ called and told him to obtain a confession from Lee Harvey Oswald but that Johnson was actually with others during the time cited by Crenshaw and could not have used the phone.

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The idea mill

Is a swamp worth more than a shopping mall? Robert Costanza and Lisa Wainger argue, in an article in the October 91 issue of *Business Economics*, that it could be because current economic systems do not "adequately account for the value of ecological systems in contributing to our well-being."

They give as an example:

A standing forest provides real economic services for people: by conserving soil, cleaning air and water, providing habitat for wildlife and supporting recreational activities. But as GNP is currently figured, only the value of harvested timber is calculated in the total.

Using an "Index of Sustainable Economic Welfare," rather than the conventional GNP, the authors argue that there has been essentially no economic growth since 1970. And they add, "If we continue to ignore natural eco-systems, we may drive the economy down while we think we are building it up. By consuming our natural capital, we endanger our ability to sustain income."

News from the real world

Virginia Langley of Kennebunkport, Me., has published "The Real Ollie North Story." It comes shredded in a plastic bag.

Writing in the winter issue of *Education Record*, Seymour Lipset provides a reminder of how political correctness played out in an earlier era:

As the social sciences emerged, trustees, alumni, and politicians found the teaching and writing of some scholars offensive. Sociology became identified with radicalism at Stanford in 1900, when EA Ross was fired at Mrs. Stanford's insistence because he had attacked Leland Stanford and other railroad barons. Other California universities followed Stanford's lead in rejecting sociology. Concern that morals would be corrupted led to the repression of teaching and research about issues related to sexuality... Socialists, pacifists and other opponents of the US foreign policy of intervention in World War I were fired by major universities...

Field notes

Citizens for Proportional Representation: New group that seeks to encourage PR in the US. Started by Matthew Cossolotto, author of The Almanac of Transatlantic Politics. [CPR, Box 11166, Alexandria, VA 22312]

Project Vote Smart is an effort to develop a data base on candidates for federal office. The plan is to have an 800 number anyone can call for information about candidates. [Center for National Independence, 129 NW 4th St., #204, Corvallis OR 97330]

Building Cities that Work: Edmund P. Fowler, whose work has been previously cited in the Review, has written a critique of urban policy that starts with Jane Jacobs' thoughts and moves on to show how city planning has undermined community cohesiveness, discouraged block-level democracy and a sense of responsibility for one's locality. $44.95 plus $2.50 handling from McGilll-Queen's University Press, 3430 McTavish Street, Montreal, Quebec H3A 1X9.

Dictating Content: How Advertising Pressure Can Corrupt a Free Press: An examination of the role of advertisers in the media, including numerous examples and a discussing of reporter self-censorship, the publishing of fake news from advertising sources and the use of stores to bait advertisers. [$10 from Center for the Study of Commercialism, 1875 Conn. Ave NW, #300, DC 20009]

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